



GAIL FARBER, Director

**COUNTY OF LOS ANGELES  
DEPARTMENT OF PUBLIC WORKS**

*"To Enrich Lives Through Effective and Caring Service"*

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ALHAMBRA, CALIFORNIA 91803-1331  
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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE

November 15, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

41 November 15, 2016

LORI GLASGOW  
EXECUTIVE OFFICER

**LOS ANGELES COUNTY WATERWORKS DISTRICT NO.40, ANTELOPE VALLEY,  
SMALL HYDRO PRESSURE-REDUCING TURBINE ELECTRIC GENERATION SYSTEM  
SOUTHERN CALIFORNIA EDISON COMPANY  
INTERCONNECTION AND FINANCING AGREEMENTS  
(SUPERVISORIAL DISTRICT 5)  
(3 VOTES)**

**SUBJECT**

This action is to execute agreements with Southern California Edison necessary to operate a newly installed Pressure-Reducing Turbine Electric Generation System located at 741 West Avenue M, Palmdale.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO.40, ANTELOPE VALLEY:**

1. Approve and delegate authority to the Director of Public Works or her designee to execute the Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement with Southern California Edison.
2. Approve and delegate the authority to the Director of Public Works or her designee to execute the Interconnection Facilities Financing and Ownership Agreement with Southern California Edison.
3. Authorize the Director of Public Works or her designee to pay Southern California Edison a not-to-exceed amount of \$38,934.95 to install and maintain an overhead ground bank pursuant to the Interconnection Facilities Financing and Ownership Agreement.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Los Angeles County Waterworks District No. 40, Antelope Valley (District) owns and operates water distribution facilities, including pressure reducing valves, pressure boosting pumps, groundwater wells, and storage tanks, at 741 West Avenue M, Palmdale. The District uses approximately 1.6 million kilowatt-hours (kWh) of electricity annually to power the facilities at this location, at a cost of approximately \$150,000.

The District recently installed a hydro pressure-reducing turbine electric generation system at this location, replacing one of the existing pressure regulators. The turbine reduces the water pressure at the District's connection to the Antelope Valley-East Kern Water Agency mainline and converts it to electricity. The turbine will generate approximately 830,000 kWh of renewable energy to operate the District's groundwater wells and pumps. It is estimated that with the reduced electricity costs and Southern California Edison's incentives for renewable energy systems, a total savings of over \$4 million, could be realized over the 25-year lifespan of the turbine.

The Interconnection Agreements with SCE are required to connect the turbine electric generation system to SCE's electrical power grid.

### **Green Building/Sustainable Design Program**

The operation of the turbine electric generation system will further the Board's Green Building/Sustainable Design Program by reducing the amount of electricity the County consumes from polluting sources. The operation of the turbine will reduce the County's carbon footprint by reducing the demand on SCE's coal/fossil fuel power plants. The turbine will help further develop and support the growing renewable energy industry in the County.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1) by maximizing the effectiveness of the County's processes, structure, and operations to support the timely delivery of customer-oriented and efficient public services. The operation of the System will help achieve this goal as it improves the operation of the District's facilities by reducing the County's carbon footprint and energy costs.

## **FISCAL IMPACT/FINANCING**

There will be no impact on the County General Fund.

These agreements include a one-time cost for construction estimated at \$20,270.58. The District has allocated an additional \$5,000 to cover any potential incidental costs during the interconnection facility installation. Also, these agreements require that the District pay SCE an ownership charge of \$13,664.37. The total cost for these agreements should not exceed \$38,934.95.

Funding for these agreements is included in the District's Accumulated Capital Outlay Fund (N64) Fiscal Year 2016-17 Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement (NEM/GFIA) is a standard contract required by SCE to connect power generating facilities to SCE's

electrical grid through interconnection facilities. The Interconnection Facilities Financing and Ownership Agreement (IFFOA) is required for the financing, design, installation, operation, maintenance, and ownership of the interconnection facilities.

The enclosed NEM/GFIA and IFFOA have been reviewed as to form by County Counsel. The District's execution of the agreements is a precondition to SCE's final inspection of the turbine electric and generation system as well as connecting the turbine to SCE's electrical grid.

The indemnity language contained in the Interconnection Agreements differs from the County's standard indemnity language; however, the indemnity language is mutual, such that the County and SCE agree to indemnify one another on reciprocal terms and conditions. Each party agrees to defend and indemnify the other party against claims arising out of or in connection with the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection, or ownership of its own facilities and/or due to the making of replacements, additions, betterments to, or reconstruction of its own facilities. The indemnity obligation applies notwithstanding the active or passive negligence of the party being indemnified. However, neither party is indemnified for any loss, liability, damage, claim, charge, demand, or expense resulting from its sole negligence or willful misconduct.

#### **ENVIRONMENTAL DOCUMENTATION**

Execution of the agreements is not subject to provisions of the California Environmental Quality Act (CEQA) Guidelines because it is an activity that is excluded from the definition of a project by Section 15378(b) of CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on current County services or projects during the performance of the recommended services.

#### **CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Waterworks Division.

The Honorable Board of Supervisors

11/15/2016

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Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:AA:ea

Enclosures

c: Auditor-Controller  
Chief Executive Office (Rochelle Goff)  
County Counsel  
Executive Office  
Internal Services Department



Southern California Edison  
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 55536-E  
Cancelling Revised Cal. PUC Sheet No. 54518-E

Sheet 1

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY (T)  
INTERCONNECTION AGREEMENT

Form 16-344

(To be inserted by utility)

Advice 3108-E

Decision \_\_\_\_\_

Issued by

Megan Scott-Kakures

Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 30, 2014

Effective Oct 30, 2014

Resolution \_\_\_\_\_

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

This Net Energy Metering (NEM) and Renewable Electrical Generating Facility Interconnection Agreement ("Agreement") is entered into by and between Los Angeles County Public Works ("Customer"), and Southern California Edison Company ("SCE"), sometimes also referred to herein jointly as "Parties" or individually as "Party."

**1. APPLICABILITY**

This Agreement is applicable only to customers who satisfy all requirements of the definition of a Renewable Electrical Generating Facility ("Generating Facility") as set forth in paragraph 1 of subdivision (a) of Section 25741 of the California Public Resources Code.

**2. SUMMARY OF GENERATING FACILITY AND CUSTOMER ACCOUNT**

2.1	Generating Facility Identification Number:	<u>NM 500562790</u>
2.2	Customer Meter Number:	<u>V349N-000324</u>
2.3	Customer Service Account Number:	<u>3-014-2260-65</u>
2.4	Applicable Rate Schedule:	<u>TOU-PA-3-B</u>
2.5	Generating Facility Location:	<u>741 Avenue M, Palmdale CA 93551</u>

2.5.1 This agreement is applicable only to the Generating Facility described below and installed at the above location. The Generating Facility may not be relocated or connected to SCE's system at any other location without SCE's express written permission.

2.5.2 This Agreement is applicable only to Renewable Electrical Generating Facilities, which includes biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells (using renewable fuel), small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements using such technology.

2.5.3 Renewable Electrical Generating Facilities using fuel cells, municipal solid waste conversion, and small hydroelectric generating will be required to sign an Affidavit (Form 14-912) certifying the following criteria have been met:

- a) For purposes of this Agreement, qualifying "solid waste conversion" is defined pursuant to Public Resources Code Section 25741(b)(3). (T)
- b) For purposes of qualifying under "fuel cell" using renewable fuels, the Generating Facility must use technology the California Public Utilities Commission ("Commission") determines will achieve reductions in emissions of greenhouse gases and meet emissions requirements for eligibility for funding pursuant to the Self-Generation Incentive Programs. (T)
- c) A "small hydroelectric" generating facility is not an eligible Generating Facility if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow. (T)

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

2.6 Generating Facility Technology (Technologies using the renewable resources reflected above): Hydroelectric

2.7 Generating Facility Nameplate Rating (kW): 261

2.8 Estimated monthly energy production of Generating Facility (kWh): 68,000

**3. GENERATING FACILITY INTERCONNECTION AND DESIGN REQUIREMENTS:**

3.1 Customer shall be responsible for the design, installation, operation, and maintenance of the Generating Facility and shall obtain and maintain any required governmental authorizations and/or permits.

3.2 The Generating Facility shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers ("IEEE"), and accredited testing laboratories such as Underwriters Laboratories ("UL"), and, where applicable, rules of the Commission regarding safety and reliability. This requirement shall include, but not be limited to, the provisions of IEEE Standard 929, UL Standard 1741 and SCE's Electric Rule 21 – Generating Facility Interconnections. (T)

3.3 Customer shall not commence parallel operation of the Generating Facility until written approval has been provided to it by SCE. SCE shall normally provide such written approval no later than 30 business days following SCE's receipt of 1) a completed Net Energy Metering Application including all supporting documents and required payments, 2) a completed signed Net Energy Metering Interconnection Agreement, and 3) evidence of the Applicant's final electric inspection clearance from the Government Authority having jurisdiction over the Generating Facility. If the 30-day period cannot be met, SCE shall notify Applicant and the Commission of the reason for the inability to process the interconnection request and the expected completion date. (T)

3.4 SCE shall have the right to have its representatives present at the final inspection made by the governmental authority having jurisdiction to inspect and approve the installation of the Generating Facility.

3.5 Customer shall not add generation capacity in excess of the Nameplate Rating set forth in Section 2.7 of this Agreement, or otherwise modify the Generating Facility without the prior written permission of SCE.

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

**4. METERING AND BILLING:**

Metering requirements and billing procedures shall be set forth in the SCE and/or Energy Service Provider's rate schedule(s) applicable to the electric service account assigned to the location where the Generating Facility is connected.

**5. DISCONNECTION, INTERRUPTION OR REDUCTION OF DELIVERIES:**

5.1 SCE may require Customer to interrupt or reduce the output of its Generating Facility under the following circumstances:

- (a) Whenever SCE deems it necessary in its sole judgment, to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or
- (b) Whenever SCE determines in its sole judgment, that curtailment, interruption, or reduction of Customer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, or compliance with prudent electrical practices.

5.2 Notwithstanding any other provision of this Agreement, upon termination of this Agreement or at any time SCE determines the continued parallel operation of the Generating Facility may endanger the public or SCE personnel, or affect the integrity of SCE's electric system or the quality of electric service provided to other customers, SCE shall have the right to require the Generating Facility to be immediately disconnected from SCE's electric system. The Generating Facility shall remain disconnected until such time as SCE is satisfied, in its sole judgment, that the condition(s) causing such disconnection have ended or have been corrected. (T)

5.3 Whenever feasible, SCE shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.

5.4 Electrical energy and capacity provided to Customer during periods of curtailment or interruption of the output of the Generating Facility shall be provided pursuant to the terms of the rate schedule(s) applicable to the electric service account to which the Generating Facility is connected.

**6. ACCESS TO PREMISES:**

SCE may enter Customer's premises at all times, without notice to Customer for emergency purposes only.

- (a) To inspect Customer's protective devices or check meter(s); to ascertain there is no power flow; or
- (b) To disconnect the Generating Facility and/or service to Customer, whenever in SCE's discretion, a hazardous condition exists and such immediate action is necessary to protect persons, SCE's facilities, or property of others from damage or interference caused by the Generating Facility, or the failure of properly operating protective devices.

SCE will make prior arrangements with the Customer for gaining emergency access to Customer's premises by obtaining keys to a lock box or a padlock or by making other mutually agreeable arrangements. (T)



SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

**7. INDEMNITY AND LIABILITY:**

- 7.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, or (b) the making of replacements, additions, betterments to, or reconstruction of the indemnitor's facilities. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.
- 7.2 The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay for all costs, including reasonable attorney fees, that may be incurred by the other Party in enforcing this indemnity.
- 7.3 The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 7.4 Except as otherwise provided in Section 7.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 7.5 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 7.6 Notwithstanding the provisions of Section 7.1, Customer shall be responsible for protecting its Generating Facility from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of SCE's facilities, and SCE shall not be liable for any such damage so caused.

**8. GOVERNING LAW:**

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California.

**9. CALIFORNIA PUBLIC UTILITIES COMMISSION:**

- 9.1 This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, direct in the exercise of its jurisdiction.
- 9.2 Notwithstanding any other provisions of this Agreement, SCE has the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, or rule or any agreement relating thereto.

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

**10. AMENDMENT, MODIFICATIONS, WAIVER OR ASSIGNMENT:**

- 10.1 This Agreement may not be altered or modified by either of the Parties, except by an instrument in writing executed by each of them.
- 10.2 None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.
- 10.3 This Agreement shall supersede any existing agreement under which Customer is currently operating the Generating Facility identified in Section 2, herein, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.
- 10.4 This Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement.
- 10.5 A new Customer of Record or New Party In (NPI) who owns, leases, or rents a premises with an operating NEM eligible facility, previously approved by SCE for Parallel Operation, does not have to submit a new interconnection agreement as long as the Customer meets the requirements of Schedule NEM. This will also apply to premises where the developer/contractor establishes the interconnection, so that the Customer who buys/rents/leases the premises will not have to re-submit and sign a new interconnection agreement.

A new Customer of Record or NPI, who owns, rents or leases a premises that includes NEM eligible electrical generating facilities with a capacity of 30 kW or less, that were approved by SCE for Parallel Operation prior to the new Customer or NPI moving in and/or taking electric service with SCE will take service on Schedule NEM as long as the requirements of this section are met. To be eligible, the new Customer or NPI must 1) ensure that the generating facility is compliant with all applicable safety and performance standards as delineated in SCE's Electric Rule 21 and other applicable tariffs in effect at the time of initial approval for Parallel Operation; 2) keep in force the amount of property, commercial general liability and/or personal liability insurance the NPI or new Customer has in place at the time it initiates service on this tariff; 3) understand that SCE may from time to time release to the California Energy Commission and/or the California Public Utilities Commission, information regarding the new Customer or NPI's facility, including NPI or new Customer's name and Generating Facility location, capacity and operational characteristics. SCE will provide the NPI or new Customer with a copy of the interconnection agreement in effect and as signed by the previous customer, which will remain unchanged, (ii) a copy of the NEM Fact Sheet on operation and billing, and (iii) SCE's website information on the NEM tariff. (T)

- 10.6 A new Customer or NPI who owns, rents or leases a premises that includes a NEM eligible electrical generating facility above 30 kW will need to sign a new interconnection agreement. If no changes are made to the interconnection facilities, the agreement will have identical terms and conditions as the ones approved for the previous Customer. (T)

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

**11. NOTICES:**

- 11.1 Any notice required under this Agreement shall be in writing and mailed at any United States Post Office with postage prepaid and addressed to the Party, or personally delivered to the Party, at the address below. Changes in such designation may be made by notice similarly given. All written notices shall be directed as follows:

SOUTHERN CALIFORNIA EDISON COMPANY:

Attn: NEM Program Administrator  
SCE Customer Solar & Self Generation  
P.O. Box 800  
Rosemead, CA 91770

CUSTOMER:

Account Name: Los Angeles County Public Works

Mailing Address P.O. Box 1460 Attn: Nikolas Vokhshoori

Mailing City: Alhambra Mailing State: CA

Mailing Zip Code: 91802

- 11.2 Customer's notices to SCE pursuant to this Section shall refer to the Generating Facility Identification Number that is set forth in Section 2.1

**12. TERM AND TERMINATION OF AGREEMENT:**

- 12.1 This Agreement shall become effective when SCE issues written authorization to interconnect the Generating Facility after receipt of all required documents, and this completed Agreement signed by the Customer and SCE, and shall remain in effect thereafter from month to month unless terminated by either Party on thirty (30) days' prior written notice in accordance with Section 11.
- 12.2 This Agreement shall terminate, without notice, upon: (a) termination of the electric distribution service provided to Customer by SCE; or (b) changes to Customer's electric load which cause Customer to no longer satisfy all requirements of the definition of an Eligible Customer-Generator, as set forth in Section 2827(b)(4) of the California Public Utilities Code; or (c) termination of Customer's NEM arrangements with its Electric Service Provider.

**13. TRANSITION PROVISIONS:**

Customers receiving service on the current NEM tariffs prior to the date that SCE reaches its NEM trigger level or July 1, 2017, whichever is earlier, are subject to the transition provisions as outlined in the applicable NEM rate schedule.

SOUTHERN CALIFORNIA EDISON COMPANY  
NET ENERGY METERING AND RENEWABLE ELECTRICAL GENERATING FACILITY  
INTERCONNECTION AGREEMENT

**14. SIGNATURES:**

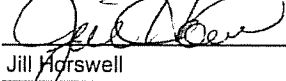
This Agreement may be executed in counterparts, and by Electronic Signature on the part of SCE (T)  
and/or the Customer, and copies of a Party's signed signature page may be transmitted to the other (T)  
Party by facsimile or other electronic means. Copies of the signature page so transmitted may be  
used for the purpose of enforcing the terms of this Agreement as though they were originals and will  
not be made inadmissible in any legal or regulatory proceeding concerning this Agreement on the  
basis of the Best Evidence Rule or similar rule of admissibility.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their (C)  
duly authorized representatives. This Agreement is effective as provided in Section 12.1 above. (T)

**CUSTOMER**

By: \_\_\_\_\_  
Name: Paul Maselbas  
Title: Principal Engineer  
Date: \_\_\_\_\_

**SOUTHERN CALIFORNIA EDISON COMPANY**

By:   
Name: Jill Horswell  
Title: Director, Contracts and Reliability Standards Operations  
Date: September 8, 2016

INTERCONNECTION FACILITIES FINANCING AND OWNERSHIP AGREEMENT  
SOUTHERN CALIFORNIA EDISON COMPANY  
Los Angeles County Public Works  
NMID 500562790

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**1. PARTIES:**

The Parties to this Interconnection Facilities Financing and Ownership Agreement (IFFOA) are, Los Angeles County Public Works (Customer), and Southern California Edison Company, (SCE). Customer and SCE are sometimes referred to herein individually as "Party," and collectively as "Parties."

**2. RECITALS:**

- 2.1 Customer has applied to interconnect a 261 kW (NA kW CEC-AC) Generating Facility that will be operated in parallel with SCE's Distribution System. Said Generating Facility is described in Section 2 of the Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement ("GFIA") between the Parties dated \_\_\_\_\_, and in Section 5 of Attachment A of this IFFOA. SCE has assigned the Generating Facility identification number "NMID 500562790" to this facility.
- 2.2 The electrical facilities installed, owned, operated and maintained by SCE described in Sections 1 and 2 of Attachment A, attached hereto, are required to interconnect Customer's Generating Facility to SCE's Distribution System pursuant to SCE's Rule 21. Such electrical facilities may include Interconnection Facilities, Distribution Upgrades and Network Upgrades.
- 2.3 Pursuant to SCE's Rule 21 the Interconnection Facilities installed, owned, operated and maintained by SCE are provided at the Customer's expense as "Added Facilities" as defined in SCE's Rule 2.H.

**3. AGREEMENT:**

The Parties agree as follows:

- 3.1 Unless otherwise defined herein, initially capitalized terms shall have the same meanings as defined in the GFIA or Section C of SCE's Rule 21.
- 3.2 The Parties agree to the arrangements as indicated in this Section 3.2 for the financing, design, installation, operation, maintenance, and ownership of the Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Attachment A, attached hereto.
  - 3.2.1 SCE, at Customer's expense, shall install, own, operate, and maintain the Interconnection Facilities described as "Customer-Financed Added Facilities" in Attachment A, attached hereto.
  - 3.2.2 SCE shall install, own, operate, and maintain the Distribution Upgrades and Network Upgrades, if any, described in Attachment A. In accordance with Section E.4 of Rule 21, Generating Facilities interconnecting pursuant to a NEM generating facility interconnection agreement are exempt from any costs associated with Distribution Upgrades or Network Upgrades.
  - 3.2.3 Customer shall finance, install, own, operate, and maintain the Interconnection Facilities described as "Customer-Constructed and Owned Interconnection Facilities" in Attachment A.

**4. TERM AND TERMINATION:**

- 4.1 This IFFOA shall become effective as of the last date entered in Section 11 below. The IFFOA shall continue in full force and effect until terminated by (1) either Party on at least thirty (30) days advance written notice or (2) the end of the 20-year term provided under Section 6.3(b) herein or (3) termination of the GFIA. Upon termination, Customer shall pay all costs and charges incurred to the date of termination pursuant to Section 8.9

herein, including but not limited to charges for engineering, surveying, right-of-way and easement acquisition expenses or any other expense incurred by SCE for the Customer, even if the Interconnection Facilities have not been installed.

- 4.2 Customer agrees to utilize the Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Attachment A, attached hereto, in accordance with Prudent Electrical Practices. If Customer fails to so utilize said Interconnection Facilities, Distribution Upgrades and Network Upgrades, SCE may terminate this IFFOA, and remove the Interconnection Facilities, Distribution Upgrades and Network Upgrades, and Customer shall be subject to the Termination Charge pursuant to Section 8.9 herein.

**5. PROJECT DEVELOPMENT MILESTONES:**

Project development milestones, if applicable, identified by SCE are described in Section 4 of Attachment A, attached hereto.

**6. INTERCONNECTION FACILITIES PROVIDED AS CUSTOMER-FINANCED ADDED FACILITIES:**

The following shall apply for that portion of the Interconnection Facilities specified in Attachment A, attached hereto, as "Customer-Financed Added Facilities."

- 6.1 SCE shall, pursuant to SCE's Rule 21, engineer, design, procure equipment and materials, construct, install, own, operate, and maintain the Customer-Financed Added Facilities.
- 6.2 Customer shall pay to SCE in advance of construction, the estimated total Added Facilities Investment of said Customer-Financed Added Facilities, as set forth in Attachment A, attached hereto, as may be revised pursuant to Sections 8.2 and/or 8.3, herein. If applicable, said cost shall include the estimated Income Tax Component of Contributions (ITCC), pursuant to SCE's Preliminary Statement Part M as filed with the Commission and as may be revised from time to time.
- 6.3 In addition to the payment required under Section 6.2 herein, Customer shall pay to SCE an ownership charge determined as the product of (1) the total Added Facilities Investment in Customer-Financed Added Facilities as set forth in Attachment A, attached hereto, as may be revised pursuant to Sections 8.2 and/or 8.3 herein, and (2) the rate established for the replacement coverage option for "Customer-Financed Added Facilities" agreed to by the Parties as reflected in this Section 6.3 as set forth in SCE's Rule 2.H as filed with the Commission and as may be revised from time to time. Whenever Added Facilities are replaced, the Added Facilities Investment amount used as the basis for determining the ownership charge Customer pays SCE shall be subject to the conditions set forth in Section 8.6 or 8.7 herein. The replacement coverage option for Customer-Financed Added Facilities is as follows:

☒ (a) Replacement Coverage into Perpetuity

Under this option, Customer shall pay to SCE, at SCE's sole option, either:

- ☐ (1) A Monthly Charge determined by SCE based upon an initial monthly rate of **0.55 %** times the total Added Facilities Investment amount; or,
- ☒ (2) A One-Time Payment determined by SCE representing the present value of the sum of the Monthly Charges for the total Added Facilities Investment amount.

☐ (b) Replacement Coverage with 20-Year Term

Under this Option, for a term of 20 years beginning with the date said Added Facilities are first made available for Customer's use, Customer shall pay to SCE a Monthly Charge determined by SCE based upon an initial monthly rate of **0.40 %** times the total Added Facilities Investment amount. At the end of the 20-year term, this IFFOA shall terminate. If the Parties elect to continue to utilize the Added Facilities past the term of this IFFOA, Customer and SCE may execute a new Added Facilities agreement. If such an agreement is formed, a revised Added Facilities investment amount shall be determined by SCE on a replacement cost new less depreciation (RCNLD) basis.

☐ (c) Without Replacement Coverage

Under this option, Customer shall pay SCE a Monthly Charge determined by SCE based upon an initial monthly rate of **0.38 %** times the total Added Facilities Investment amount.

**7. INTERCONNECTION FACILITIES PROVIDED AS CUSTOMER-CONSTRUCTED AND OWNED INTERCONNECTION FACILITIES:**

For that portion of the Interconnection Facilities specified in Attachment A, attached hereto, as "Customer-Constructed and Owned Interconnection Facilities", the Customer is subject to the following:

- 7.1 At Customer's expense, Customer shall finance, engineer, design, acquire equipment and materials, construct, obtain rights-of-way as necessary, install, own, lease or rent, operate, and maintain the Customer-Constructed and Owned Interconnection Facilities. The Customer-Constructed and Owned Interconnection Facilities shall be engineered, designed and constructed to be compatible with SCE's Interconnection Facilities, Distribution Upgrades and Network Upgrades, and in accordance with SCE's Rule 21, as applicable.
- 7.2 SCE shall, at Customer's expense, review Customer's design and require modifications that SCE reasonably determines necessary to assure compatibility with SCE's electrical system and assure SCE system integrity.
- 7.3 Customer shall notify SCE at least thirty (30) days prior to the Parallel Operation of Customer's Generating Facility and SCE shall have the right to inspect the Customer-Constructed and Owned Interconnection Facilities and shall notify Customer of any deficiencies within five (5) days after inspection. Customer must correct any deficiencies prior to Parallel Operation of the Generating Facility.

**8. INTERCONNECTION FACILITIES BILLING:**

- 8.1 Customer shall pay to SCE in advance of any construction by SCE, any one-time costs (including, when applicable, the ITCC) to rearrange existing facilities and/or to provide facilities normally installed by the Customer as set forth in Attachment A, attached hereto, as "One-Time Costs."
- 8.2 Unless otherwise agreed in writing, the costs and charges paid by Customer pursuant to Sections 6.2, 6.3, 7.2, 8.1, and 8.9 herein shall initially be based upon estimated costs. When the recorded book costs have been determined by SCE, the costs and charges paid by Customer under this IFFOA shall be revised to be based upon such recorded costs and adjusted retroactively to the date when service was first available by means of such Added Facilities. By executing this IFFOA, Customer has been informed and understands SCE's determination of recorded book cost may be delayed and that unless otherwise agreed, retroactive adjustments resulting from such determination may occur

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at anytime during the term of this IFFOA. All amounts billed under this IFFOA, unless other terms are mutually agreed upon, shall be payable to SCE within thirty (30) days from the date of presentation of a bill. Any credits resulting from such adjustments will, unless other terms are mutually agreed upon, be refunded to Customer.

- 8.3 SCE shall have the right to revise the initial estimated costs and bill Customer using such revised estimated costs during the period preceding determination of the recorded book costs. SCE shall indicate such revisions on Attachment A, attached hereto, or a superseding Attachment A and provide a copy to Customer. SCE shall commence billing the costs and charges paid by Customer pursuant to this IFFOA using such revised estimate not earlier than thirty (30) days from the date the revised estimate is provided to Customer.
- 8.4 Whenever the ownership charge is to be paid by Customer as a Monthly Charge pursuant to Section 6.3 herein, the Monthly Charge shall automatically increase or decrease without formal amendment to this IFFOA if the Commission subsequently authorizes a higher or lower percentage rate in the calculation of the costs of ownership for Added Facilities as stated in Rule 2.H, effective with the date of such authorization.
- 8.5 If it becomes necessary for SCE to alter or rearrange the Added Facilities including, but not limited to, the conversion of overhead facilities to underground, Customer shall be notified of such necessity and shall be given the option to either terminate this IFFOA in accordance with Sections 4 and 8.9 herein, or to pay to SCE additional amounts consisting of:
- (a) Revised costs and charges based on the total net additional installed cost of all new and remaining Added Facilities. Such revised costs and charges shall be determined, as applicable, in the same manner as described in Sections 6.2 and 6.3 herein; plus
  - (b) An additional payment of ITCC, and/or one-time cost, if any, for any new Added Facilities which shall be determined in the same manner as described in Sections 6.2 and 8.1 herein; plus
  - (c) The cost to remove any portion of the Added Facilities that are no longer necessary because of alteration or rearrangement, such charge is to be determined by SCE in the same manner as described in Section 8.9 herein.
- 8.6 Whenever Added Facilities are replaced due to damage (caused by other than the Customer's intentional or negligent conduct) or equipment failure and replacement coverage is provided pursuant to Sections 6.3(a) or (b) herein, such replacement will be at SCE's expense with no change in the Added Facilities Investment amount.
- 8.7 Whenever Added Facilities are replaced (1) due to damage or equipment failure and replacement coverage is not provided pursuant to Section 6.3(c) herein, or (2) due to Customer's increased load or generation levels, as determined by SCE, or (3) Customer's intentional or negligent conduct, such replacement will be made by SCE at the Customer's expense, including any applicable ITCC. Any additional amounts due to SCE as a result of such replacement shall be payable by the Customer to SCE within thirty (30) days from the date of presentation of a bill. If such replacement results in a change in the Added Facilities Investment, the Monthly Charge will be adjusted based on the revised added investment amount effective with the date the replaced Added Facilities are first available for Customer's use. Except that, where the replacement of Added Facilities is solely required for SCE's operating convenience or necessity or because of damage caused by the sole negligence or willful act of SCE, no increase shall be made in the Added Facilities Investment amount or the Monthly Charge.



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- 8.8 Except as otherwise provided in this IFFOA, SCE shall have the right to charge Customer under the terms and conditions of this IFFOA commencing with the date SCE, in its sole opinion, determines the Added Facilities are available for Customer's use.
- 8.9 Upon discontinuance of the use of any Added Facilities due to termination of service, termination of this IFFOA, or otherwise:
- (a) Customer shall pay to SCE on demand (in addition to all other moneys to which SCE may be legally entitled by virtue of such termination) a Termination Charge defined as the costs estimated, subject to Sections 8.2 and 8.3, herein, by SCE to install and/or remove said facilities, less the estimated salvage value of the Added Facilities to be removed. Commencing in the sixteenth (16) year after the date service is first rendered by means of said Added Facilities, the Termination Charge shall be reduced by 20 percent each year until the total Termination Charge is zero.
  - (b) SCE shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Added Facilities, Distribution Upgrades or Network Upgrades located on the Customer's property.
  - (c) SCE may, at its option, alter, rearrange, convey, or retain in place any portion of the Added Facilities, Distribution Upgrades or Network Upgrades located on property other than Customer's property. Where all or any portion of the Added Facilities located on property other than Customer's property are retained in place and used by SCE to provide permanent service to other customers, the facility Termination Charge described in Section 8.9(a), herein, shall be reduced by the recorded installed cost of the retained facilities.
- 8.10 SCE may, at its sole discretion at any time during the term of this IFFOA, require Customer to provide and maintain a performance bond, a letter of credit, an escrow account, or other security, to SCE's satisfaction, securing to SCE the payment of the Termination Charge described in Section 8.9, herein. Customer's failure to provide such security to SCE's satisfaction shall result in termination of this IFFOA.
- 8.11 Customer shall not be required to pay the Termination Charge specified in Section 8.9, herein if termination of the use of the Added Facilities is caused solely by SCE. Termination pursuant to Section 4.2 herein or Section 12.2 of the GFIA shall be deemed not to have been caused solely by SCE.
- 8.12 Should any amount billed pursuant to this IFFOA not be paid by Customer, SCE shall at any time be entitled to collect such amounts through an offset against any amount SCE may owe to Customer.

**9. GENERAL PROVISIONS:**

- 9.1 Unless otherwise provided for in this IFFOA, Interconnection Facilities connected to SCE's side of the Point of Common Coupling shall be provided, installed, owned, and maintained by SCE at Customer's expense in accordance with SCE's Rule 21.
- 9.2 SCE shall not be obligated to begin construction of Added Facilities prior to Customer's payment of all moneys due as described in Sections 6.2, 6.3, and 8.1, and 8.9 herein.
- 9.3 Where it is necessary to install Added Facilities, Distribution Upgrades or Network Upgrades on Customer's property, Customer hereby grants to SCE (a) the right to make such installation on Customer's property including installation of a line extension along the shortest practical route thereon and (b) the right of ingress to and egress from Customer's property as determined by SCE in its sole discretion for any purpose connected with the operation and maintenance of the Added Facilities, Distribution Upgrades or Network Upgrades. Customer shall provide rights-of-way or easements of

sufficient space to provide legal clearance from all structures now or hereafter erected on Customer's property for any facilities of SCE.

- 9.4 Where formal rights-of-way or easements are required in, on, under, or over Customer's property or the property of others for the installation of the Added Facilities, SCE shall not be obligated to install the Added Facilities unless and until any necessary permanent rights-of-way or easements, satisfactory to SCE, are granted without cost to SCE. Upon termination of this IFFOA in accordance with Section 4, SCE shall quitclaim all easements and rights of way in, on, under, and over Customer's property, which are, as determined by SCE in its sole discretion, no longer required by SCE due to the removal of its Added Facilities, Distribution Upgrades or Network Upgrades.
- 9.5 SCE shall not be responsible for any delay in completion of the installation of the Added Facilities, Distribution Upgrades or Network Upgrades including, but not limited to, delays resulting from shortage or labor or materials, strike, labor disturbances, war, riot, weather conditions, governmental rule, regulation, or order, including orders or judgments of any court or commission, delay in obtaining necessary rights-of-way and easements, act of God, or any other cause or condition beyond control of SCE. SCE shall have the right in the event it is unable to obtain materials or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers, and any delay in construction hereunder resulting from such allocation shall be deemed to be a cause beyond SCE's control.
- 9.6 SCE shall not be liable for any loss, damage, or injury arising from SCE's installation, operation, maintenance, or control of the Added Facilities, unless such loss, damage, or injury results from SCE's sole negligence, and, in no event, shall SCE be liable for loss of profits, revenues, or other consequential damages. No adjustment shall be made to reduce billings if damages to, or malfunction of the Added Facilities results from any cause other than the negligence or willful act of SCE.
- 9.7 Added Facilities, Distribution Upgrades and Network Upgrades provided hereunder shall at all times remain the property of SCE.
- 9.8 This IFFOA supplements the appropriate application and contract(s) for electric service presently in effect between the Parties.
- 9.9 This IFFOA may not be assigned if such assignment would cause the Generating Facility identified in Section 2.1 to no longer comply with the provisions of California Public Utilities Code Section 2827 and SCE's NEM tariff. Customer may assign this IFFOA only with SCE's written consent. Such consent shall not be unreasonably withheld. Such assignment shall be deemed to include, unless otherwise specified therein, all of Customer's rights to any refunds, which might become due upon discontinuance of the use of any Added Facilities.

#### **10. GOVERNING LAW**

This IFFOA shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California and shall, to the extent provided by law, at all times be subject to applicable tariff rules and modification of such rules as directed by the Commission in the exercise of its jurisdiction.

#### **11. SIGNATURES**

This IFFOA may be executed in counterparts, and by Electronic Signature on the part of SCE and/or the Customer, and copies of a Party's signed signature page may be transmitted to the other Party by facsimile or other electronic means. Copies of the signature page so transmitted may be used for the purpose of enforcing the terms of this IFFOA as though they were originals

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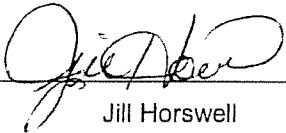
and will not be made inadmissible in any legal or regulatory proceeding concerning this IFFOA on the basis of the Best Evidence Rule or similar rule of admissibility.

IN WITNESS WHEREOF, the Parties hereto have caused this IFFOA to be executed by their duly authorized representatives. This IFFOA is effective as provided in Section 4.1 above.

**LOS ANGELES COUNTY PUBLIC WORKS**

By: \_\_\_\_\_  
Name: Paul Maselbas  
Title: Principal Engineer  
\_\_\_\_\_  
Date: \_\_\_\_\_

**SOUTHERN CALIFORNIA  
EDISON COMPANY**

By: \_\_\_\_\_  
Name: Jill Horswell  
Title: Director, Contracts and Reliability  
Standards Operations  
\_\_\_\_\_  
Date: September 8, 2016

ATTACHMENT A  
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**1. Added Facilities Investment for Customer- Financed Added Facilities**  
(Provided per Section 3.2.1)

	Interconnection Facilities Component	Original Estimate	Revised Estimate	Recorded Cost
A.	Install overhead ground bank for Customer-owned hydroelectric generating facility.	\$16,615.23		
B.	<b>Total Added Facilities Investment</b>	<b>\$16,615.23</b>		
C.	<b>Income Tax Component of Contribution (ITCC)</b> (B x 22%) (effective 1/1/16)	\$3,655.35		
D.	<b>One-Time Costs</b> None.	\$0.00		
E.	<b>One-Time Payment</b> representing the present value of the sum of the Monthly Charges for the Added Facilities Investment amount shown in Row B above pursuant to Section 6.3(a)(2) of this IFFOA. $((\$16,615.23) \times 82.24\%)$	\$13,664.37		
F.	<b>Total Amount to be Advanced by Customer (B.+ C.+ D.)</b>	<b>\$33,934.95</b>		

**2. Description of Distribution Upgrades and Network Upgrades**  
(Provided per Section 3.2.2)

<b>Distribution Upgrades:</b> None.
<b>Network Upgrades:</b> None.

**3. Description of Customer - Constructed and Owned Facilities** (Provided per Section 3.2.3)

Interconnection Facilities Component
a. All generating unit protective relays, controls and switchgear in compliance with SCE's Rule 21 and Electrical Service Requirements (ESR).

Note: Cost information need not be provided for Customer-Constructed and Owned Facilities.

**4. Milestones**

None identified.

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**5. Description of Generating Facility and Single Line Diagrams**

- a. Description of Generating Facility: All equipment and facilities comprising the Customer's 261 kW (NA kW CEC-AC) hydroelectric generating facility in Palmdale, California, as disclosed by the Customer in its Application, which consists of (i) one (1) SOAR ILT12 Francis hydroturbine and 480 V induction generator, (ii) the associated infrastructure, (iii) meters and metering equipment, and (iv) appurtenant equipment.



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c. Single Line Diagram (method of service provided by SCE):

